

Because most States are required by their constitutions to balance their budgets every year, they have to look to Medicaid for cost savings.

Without adequate State fiscal relief through a temporary increase in the FMAP, the Federal Medicaid matching rate, these cuts are likely to be approved. It could be even worse as the deficits worsen further.

To help States avert these otherwise unavoidable cuts, I have offered an amendment which is in the lineup for tomorrow that will increase the Federal Government's match of State Medicaid spending by 3 percent instead of the 1.5 percent that is in the underlying amendment for the next fiscal year.

If this amendment is agreed to, all States will receive an enhanced 3-percent increase on their FMAP. Also, the States that have high unemployment rates will still get their 1.5-percent bonus and all States will still be held harmless.

Basically, my amendment takes the underlying 1.5 percent and makes it 3 percent in terms of the Federal match for Medicaid.

It will provide about \$3.5 billion more to the States than the pending legislation and over \$7.5 billion more than the House-passed plan to help offset the impending State Medicaid cuts for providers and beneficiaries.

Again, State fiscal relief is one of the best ways to stimulate the economy because Federal dollars used for this purpose help avert the State budget cuts and the tax increases that can be detrimental to any economic recovery.

The people in Iowa and all across the Nation have enough trouble finding affordable quality health care. They need our help and support during this recession. When it comes to protecting the vulnerable in these difficult times while getting our economy back on track, putting Iowans and all Americans back to work, this proposal to increase the FMAP, the Federal match on Medicaid, is right on the mark.

This amendment will be up tomorrow for a vote. I hope it will get overwhelming support because, again, we cannot afford to let the most vulnerable in our society fall through the cracks, and we have to recognize that States are facing over a doubling of the initial estimate of what their State shortfalls would be in their budgets for this next fiscal year.

Looking at all that, we need to make sure we increase the Federal share. For a small amount of money we put into it, considering the nationwide impact, the multiple effect it will have on our economy will be tremendous, especially as it affects those State budgets.

Again, I commend Senator DASCHLE and Senator BAUCUS for the underlying amendment. If we had voted on this last year, perhaps 1.5 percent might have been sufficient with what we knew then. But with what we know now, 1.5 percent is not sufficient. I believe this amendment I have offered to

double that from 1.5 percent to 3 percent will make it so that the States will not have to cut their Medicaid budgets this year.

I hope we can adopt this amendment. I hope we can get the stimulus bill passed and get increased unemployment benefits out there, health care benefits, and help our States with their Medicaid budgets. This will do more to stimulate the economy than anything else we are doing.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MILLER). Without objection, it is so ordered.

Mr. KYL. Mr. President, I ask that I be allowed to speak in morning business for a period of 25 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### WITHDRAWAL FROM THE ABM TREATY

Mr. KYL. Mr. President, tomorrow evening President Bush will be giving his State of the Union speech. He will undoubtedly review the actions of the past year and talk about his plans for this current year. It seems to me appropriate to focus a little bit on what I believe is one of the most important decisions he made in the last year and to reflect a little bit upon what that decision will mean for the United States in the years to come. It was made at a time when Congress was not in session and the country, frankly, was primarily thinking about the Christmas season. There was not a lot of media attention paid to the decision.

For reasons I will discuss in some subsequent speeches, it seems to me one of the most fundamental and important decisions of any President in recent years and certainly of President Bush during his first term. I refer to his decision on behalf of the United States to give notice to Russia of the withdrawal of the United States from the 1972 ABM Treaty. As I said, I am going to discuss different aspects of this decision in some subsequent remarks.

For example, I will discuss the President's legal authority to withdraw. Some have suggested action by the Senate should take place or that somehow the President doesn't necessarily have the authority to withdraw from the treaty. That is not true; he does. I will be discussing that. I also want to address in subsequent remarks how I think this decision changes the geopolitical relationships and, frankly, reflects a 21st century view of the world, especially the relationship between the United States on one hand and Russia on the other hand, a view far different

from that of the adversarial cold war relationship between the two superpowers, and how this ABM decision is probably the most dramatic recognition of that new relationship.

I will discuss what that means both in terms of the relationship between the two countries in the future but also what it means in terms of a change in the direction of the philosophy of this country with respect to national security issues, especially how it relates to the question of how we protect ourselves. Is it through a combination of ideas that are premised on peace through strength, going back to the Reagan days, or more of a focus on arms control agreements, reflecting more of the Clinton administration view?

Clearly, the Bush administration has decided defending the United States depends first and foremost upon our ability to defend ourselves through missile defense, for example, and less on arms control agreements. I will be discussing what I think are the important ramifications of that decision.

Today, I will first of all commend the President for his decision, made on December 13 of last year, of the intent to withdraw from the ABM Treaty and, secondly, discuss the reasons I believe this was the right decision for the President to make. Let me note those two reasons in summary.

It is highly questionable whether the ABM Treaty ever served U.S. interests. It did not stop an arms race, its purpose, as proponents claim. It was the product of a bipolar international structure, as I said before, that no longer exists and no longer reflects the relationship we should have with Russia as a result. It remains a serious obstacle to U.S. ability to defend itself against the long-range threat of ballistic missiles. The President's decision was a necessary step forward in addressing that threat. The future national security of the United States requires the construction of ballistic missile defenses that were flatly prohibited by the treaty.

Let me discuss those items in turn. First, with respect to the purpose of the treaty, the premise of the ABM Treaty back in 1972 was that if neither the United States nor the Soviet Union took steps to protect itself against a devastating nuclear strike, then both nations would feel confident in their ability to retaliate against each other, secure in the knowledge that each possessed that capability, and neither would find it necessary to increase the size of their nuclear arsenals. An accompanying agreement, SALT I, was intended to limit the size and shape of the arsenals in order to enhance strategic stability.

Proponents of the ABM Treaty—and their numbers are many—have for the 30 years or so since the treaty's ratification considered it the cornerstone of strategic stability. They view the treaty not just as the guiding document in United States-Soviet and now United

States-Russian relations but as the principal constraint on all countries considering developing missile forces with which to threaten neighbors and argue that the absence unleashes a destabilizing arms buildup around the world, including in Russia.

Well, what of this?

The central premise of the ABM Treaty, that the United States and Soviet nuclear arsenals would be restrained by the absence of missile defenses, is refuted through the simplest quantitative analysis. In the 15 years since the treaty's ratification, the number of strategic ballistic missile warheads in the inventory of the Soviet Union grew from around 2,000 to 10,000. The U.S. level grew from around 3,700 in 1972 to about 8,000 in 1987. In fact, strategic nuclear forces expanded not just quantitatively but qualitatively as well. The decade following the ABM Treaty signing witnessed introduction into the Soviet arsenal of entire generations of new long-range missiles, not just in contradiction to the intent of the ABM Treaty but in contravention of the accompanying SALT I accord as well.

The post-cold-war picture similarly argues against the treaty's effectiveness at restraining offensive forces. China has been exceedingly belligerent in its use of warlike rhetoric targeted against the concept of a regional missile defense plan encompassing the island of Taiwan. Yet in the absence of missile defenses, it has been deploying missiles opposite Taiwan at the rate of 50 a year. China made the decision and embarked on a modernization of its long-range missile force targeted against the United States long before the United States made a decision to deploy missile defense systems.

Similarly, India and Pakistan missile developments which, combined with each country's nuclear weapons programs, create the most dangerous region on Earth right now, occur without reference to missile defenses. And of course missile programs of countries such as Iran, Iraq, and North Korea have been restrained at times by technological factors but never by the presence of missile defenses in countries they might target.

The point is that missile forces are not a response to missile defenses. They are the result of national perceptions of threat and political and military requirements. As the new National Intelligence Estimate on foreign ballistic missiles states:

The ballistic missile remains a central element in the military arsenals of nations around the globe and almost certainly will retain this status over the next 15 years.

In other words, ballistic missiles are not being built as a result of missile defenses being built. Those missile forces are already occurring, are already being built, and it is the defenses which now need to restrain them.

Another point: The bipolar world structure that I referred to no longer exists. The problem of proliferation here has to be addressed.

The ABM Treaty was negotiated between two countries, one of which no longer exists. At its signing, little consideration was given to a post-Cold War world. The developments of the late 1980s and early 1990s were simply not foreseen. Nuclear and missile proliferation, while certainly acknowledged as issues, took a backseat in the two superpowers' thinking to direct bipolar considerations back in 1972.

Proliferation is today, however, one of our principal national security challenges. Roughly two dozen countries have or are developing ballistic missiles. These weapons have also become a common feature of modern warfare. Used but once between 1945 and 1980, thousands of ballistic missiles have been fired in at least six conflicts since 1980, and their range and sophistication are growing. In fact, despite the promised reductions in Russian strategic forces, the threat from other countries seeking to target the United States with long-range missiles has grown since the end of the Cold War.

Let me give some examples of this trend:

China is actively modernizing and expanding its long-range missile force. The newly released National Intelligence Estimate states that, by 2015, "the total number of Chinese strategic warheads will rise several-fold."

Despite difficulties it has experienced in developing its Shahab-3 medium-range missile—and it should be pointed out that all countries, including the United States, experience developmental problems with new missile programs—Iran continues to place much emphasis on its missile activities. With considerable Russian assistance, it is developing missiles capable of striking Central Europe. The new NIE concludes that "Teheran's longstanding commitment to its ballistic missile programs . . . is unlikely to diminish."

Iraq is believed to covertly possess a stockpile of banned missiles. While Iraq's missile programs have been constrained by sanctions in effect since the Persian Gulf War, the gradual but steady erosion of those sanctions could result in its being able to reconstitute its long-range missile programs. Iraq's ability to surprise us in the past with the scale of its missile and nuclear, chemical and biological programs should serve as a warning of what can happen should the sanctions regime collapse completely.

North Korea has extended its moratorium on testing its intercontinental-range Taepo-dong missiles, but its surprise August 1998 test flight over Japan of one such missile should similarly temper any enthusiasm about that regime's capabilities and intentions. The National Intelligence Estimate pointed out that North Korea has not abandoned the Taepo-dong 2, and that it could reappear "as a [space-launch vehicle] with a third stage to place a small payload into the same orbit the North Koreans tried to achieve in 1998."

If the National Intelligence Estimate is nebulous in its description of the threat to the continental United States of long-range ballistic missiles, it is emphatic in its description of the threat from shorter-range missiles:

The probability that a missile with a weapon of mass destruction will be used against U.S. forces or interests is higher today than during most of the Cold War, and it will continue to grow as the capabilities of potential adversaries mature . . . (T)he missile threat will continue to grow, in part because missiles have become important regional weapons in the arsenals of numerous countries. Moreover, missiles provide a level of prestige, coercive diplomacy, and deterrence that nonmissile means do not.

What this tells us is that missiles remain an extremely important component of the arsenals of the very regimes that represent our greatest foreign policy challenges. Yet, the NIE suggests that the threat from medium-range missiles is not likely to be matched by a commensurate threat from long-range missiles in the next 15 years, in spite of the fact that the very same arguments for medium-range missiles exists in the case of longer-range ones.

Fortunately, we have today a Secretary of Defense who understands intimately the weaknesses of intelligence estimates that seek to predict foreign technological developments. As chairman of the bipartisan Rumsfeld Commission, Secretary of Defense Rumsfeld led an effort to assess the threat of foreign ballistic missiles and the ability of the intelligence community to accurately estimate the scale of that threat. The commission's unanimous conclusion was that the missile threat to the United States "is broader, more mature and evolving more rapidly than has been reported in estimates and reports by the intelligence community," and a rogue nation could acquire the capability to strike the United States with a ballistic missile in as little as 5 years.

That analysis was accepted by the Congress, by the President, and by a majority of the intelligence community. The Rumsfeld Commission turned out to be more prescient than anybody anticipated. Within months of the completion of its report, North Korea shocked the intelligence community with its launch of the Taepo-dong.

Indeed, for all of its successes—and they have been both numerous and vital to our security—it does not disgrace the intelligence community to point out that either it or its political overseers have, at times, missed important developments. A recent article in *Jane's Intelligence Review* describes the three times during the 1990s that North Korea alone surprised the United States within the realm of missile programs:

The first was in 1990 with the testing of the No-dong IRBM . . . The second surprise was in 1994, when aerial photographs revealed mock-ups of two new two-stage ballistic missiles, named Taepo-dong 1 and 2. The third surprise came in August 1998 with the test launch of Taepo-dong 1 . . .

President Bush recognized the changed post-Cold War security environment typified by the ballistic missile programs of numerous real or potentially hostile countries, when he stated in his December 13 announcement of his intent to withdraw the United States from the ABM Treaty:

... as the events of September the 11th made all too clear, the greatest threats to both our countries come not from each other, or other big powers in the world, but from terrorists who strike without warning, or rogue states who seek weapons of mass destruction.

The President's announcement was the culmination of a period of negotiations intended to convince Russia of the need to amend or scrap an outdated treaty. He did this because he believes that the appropriate response to the threat from foreign missile programs must include defenses against those missiles, and that the ABM Treaty prevents the United States from developing and deploying those defenses.

What of that latter point? Some have argued maybe we could stretch our research time and testing time and still not be in direct violation of the treaty. In fact, the previous administration sought to deal with the threat of ballistic missile attack primarily by relying on treaties or agreements as articulated in 1994 by Under Secretary of State John Holum:

The Clinton Administration's policy aims to protect us first and foremost through arms control—by working hard to prevent new threats—and second, by legally pursuing the development of theater defenses for those cases where arms control is not yet successful.

Arms control, first and foremost; only secondarily by pursuing the development—not deployment—of theater defenses, not defenses against intercontinental ballistic missiles, and only in those cases where arms control is not yet successful. That is an entirely different paradigm, that we can rely upon arms control to protect the people of the United States.

There are no arms control agreements with rogue states, and they don't prevent nuclear blackmail. National Security Advisor Condoleezza Rice noted this problem in her July 13 speech before the National Press Club:

We must deal with today's world and today's threats, including weapons of mass destruction and missiles in the hands of states that would blackmail us from coming to the aid of friends and allies.

Nor do I think it is a good idea to rely principally on deterrence. One problem with deterrence is that it does fail. We acknowledge that fact when applied regionally. We support the Israeli Arrow missile program because we know that Israel's adversaries may not be deterred by threat of retaliation. In fact, in the case of Saddam Hussein during the Gulf War, such retaliation was invited.

When the subject becomes the safety of American cities, however, such acknowledgements disappear. The fact remains, though, that deterrence does

fail, and we ought not be left with massive retaliation as the only response to an attack on the United States.

It has always been of concern to me that we would rely on deterrence against a largely innocent population of a country headed by a tyrant. The best deterrence is the ability to defeat an attack. The principal impediment to our ability to develop the means to actually defend against missile attack is not technology. It is the ABM Treaty, as I said before. As the President stated in his December 13 announcement:

We must have the freedom and the flexibility to develop effective defenses against those attacks. Defending the American people is my highest priority as Commander in Chief, and I cannot and will not allow the United States to remain in a treaty that prevents us from developing effective defenses.

Despite the failure of the ABM Treaty to slow the growth in nuclear arms, it was remarkably successfully at preventing the development of missile defenses. We cannot develop, let alone deploy, a national missile defense system under the constraints of the ABM Treaty. That was its whole purpose. But times have changed, and, as the President has pointed out, the treaty has become an unacceptable restraint on our ability to defend ourselves against the threat of ballistic missile attack.

To repeat, we cannot develop, let alone deploy, a national missile defense system under the constraints of the ABM Treaty. Both its letter and its intent are very clear on this point. Let me just take a moment to explain why.

Article I, Section 2, states:

Each Party undertakes not to deploy ABM systems for a defense of the territory of its country and not to provide a base for such a defense, and not to deploy ABM systems for an individual region except as provided for in Article III of this treaty.

Additionally, under the terms of the treaty, specifically Article III, we can only build one treaty-permissible site around either Washington, D.C., or around an ICBM field. The treaty prevents the defense of any other part of the United States. That is why the Fort Greely, AK, site under the terms of the treaty, cannot be an operational missile defense site.

Critics of the President argue that the decision to withdraw from the treaty is premature, and that the treaty does not really prevent the development of the capability to build a nationwide defense.

For example: The Union of Concerned Scientists concludes, on the basis of its own examination of the issue, that "there is no compelling reason for the United States to withdraw from the ABM Treaty for at least the next several years." One of our colleagues from the State of Florida, Senator NELSON, stated at a hearing in June:

We need, for the sake of defense of our country, to proceed with robust research and development, but you can't deploy something that's not developed.

The fact is, we cannot develop a nationwide system under the constraints

of the ABM Treaty. That was the efficacious thing about the treaty: it effectively prevented the development of such a system.

Furthermore, we cannot even research the kind of layered defense necessary to maximize the prospects of a successful intercept.

Article V of the treaty states:

Each Party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based.

Article VI states:

Each Party undertakes not to give missiles, launchers, or radars, other than ABM interceptor missiles, ABM launchers, or ABM radars, capabilities to counter strategic ballistic missiles or their element in flight trajectory, and not to test them in an ABM mode.

It is critical. That is why the Secretary of Defense was forced in October to alter the most recent missile-flight test. It would have violated the treaty had we used a U.S. Navy ship to track the target missile in flight—precisely, by the way, what we want to do in developing a successful missile defense system. Because the sea-based option remains among the most promising for a secure, flexible missile tracking capability, we should be actively integrating the AEGIS system into these flight tests, but under Articles V and VI of the treaty that is prohibited.

Similarly, use of a Multiple Object Tracking Radar at Vandenberg Air Force Base, which was going to be used to track the target missile, is prohibited. An administration official was quoted in the Washington Post as noting:

This shows that the ABM Treaty is already constraining us in a very material way. These are aspects of tests that we canceled, and they need to be done at some point.

Similarly, how can we exploit the capabilities that may emerge from development of the Airborne Laser Program, a system designed to shoot down enemy missiles early in their ascent phase when they are larger and hotter and therefore easier to target? The Airborne Laser won't necessarily know whether it is shooting at a short-range missile, or one with intercontinental range. The former would be permissible under the treaty, but not the latter.

In short, the treaty, as it was designed to do, prevents us from even developing let alone deploying a national missile defense system that exploits the most promising technologies.

In conclusion, the ABM Treaty was signed in a vastly different strategic environment than exists today. It can hardly be said to have been a success during the cold war, the geopolitical context in which it was written. Today, it serves only to prevent us from addressing the post-cold war challenges that confront us from a number of other countries. A treaty that failed in a strictly bipolar structure to restrain nuclear weapons developments, it is even more ill-suited to the security environment of today's multipolar world.

The President's decision to withdraw the United States from its provisions should be commended. We cannot predicate the defense of the American people on a theory of deterrence that assumes hostile regimes make decisions in the same manner as do we, and that leaves us vulnerable to a particular type of threat we know is on the horizon.

We have a fundamental responsibility to the American public to defend it against all threats. The threat from the ballistic missile programs of foreign countries is real, and it can be expected to grow. We cannot address that threat within the confines of the ABM Treaty. The decision to move beyond it was the right decision, and I applaud President Bush's leadership on this issue of tremendous importance to all Americans.

As I said, he probably will be too modest to address this much in his State of the Union speech tomorrow evening, but I believe it to be one of the most important decisions he made last year, and its ramifications will be felt and be defined by greater security for the American people for decades to come.

I commend him for that decision.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLARD. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### HOPE FOR CHILDREN ACT— Continued

Mr. ALLARD. Mr. President, my understanding is that we are under regular business.

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 2722

Mr. ALLARD. Mr. President, I ask unanimous consent to lay aside the pending amendment and call up amendment No. 2722, which is the Allard-Hatch-Allen amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Colorado [Mr. ALLARD] for himself, Mr. HATCH, and Mr. ALLEN, proposes an amendment numbered 2722 to the language proposed to be stricken by amendment No. 2698.

Mr. ALLARD. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to permanently extend the research credit and to increase the rates of the alternative incremental credit)

At the appropriate place, insert the following:

#### SEC. \_\_\_\_ . PERMANENT EXTENSION OF RESEARCH CREDIT; INCREASE IN RATES OF ALTERNATIVE INCREMENTAL CREDIT.

(a) PERMANENT EXTENSION OF RESEARCH CREDIT.—

(1) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) of such Code is amended by striking subparagraph (D).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after the date of the enactment of this Act.

(b) INCREASE IN RATES OF ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) of the Internal Revenue Code of 1986 (relating to election of alternative incremental credit) is amended—

(A) by striking “2.65 percent” and inserting “3 percent”,

(B) by striking “3.2 percent” and inserting “4 percent”, and

(C) by striking “3.75 percent” and inserting “5 percent”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

Mr. ALLARD. Mr. President, I ask unanimous consent Senator WARNER be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLARD. Mr. President, I am pleased to rise today to offer an amendment making the research and development tax credit permanent. I express my gratitude to Senator HATCH, the distinguished ranking member of the Judiciary Committee. Senator HATCH has been working on this issue for years, and I am grateful for the opportunity to join him in this continuing effort on this essential piece of legislation. I also express my thanks to Senator GEORGE ALLEN who has distinguished himself as the chairman of the High Tech Task Force.

I am pleased to serve with Senator ALLEN on the task force, and I look forward to continuing to work with him as we address the many numerous technology issues that confront this Nation. Both of our States take a very active role in high tech. We have many businesses in both of our States—Virginia and Colorado—that rely on high tech in order to grow.

As a member of the Senate High Tech Task Force, I have been fortunate to work with a number of my colleagues on an agenda that is both probusiness and proconsumer. We have focused on expanding the reach of Internet and broadband technologies, putting more computers in classrooms, more schools online dealing with cyber security issues in general relating to e-commerce, the spectrum, and intellectual property issues. None of these issues has the power to make as immediate an impact in the technology industry as a permanent extension of the research and development tax credit. It is altogether appropriate that we include this language in any stimulus bill to pass out of the Senate.

A study by Coopers & Lybrand in 1998 showed that a permanent extension of the R&D tax credit would create nearly \$58 billion in domestic economic growth through 2010.

This is an astounding and immediate impact that affects virtually every American. Available solely for incremental research activities in the United States and Puerto Rico, approximately 75 percent of the R&D tax credit dollars pay for salaries of employees associated with research and development. These are high-skilled, high-paying American jobs.

In an ever expanding global marketplace, it is important that American companies be able to compete abroad. It is also important that multinational firms see the United States as a welcome laboratory for research and development.

Australia, Canada, Germany, Great Britain, and Japan all offer financial incentives to companies to perform research and development within their borders which lowers the cost of R&D and gives companies both a competitive advantage and an incentive to bring their resources and jobs to the marketplace where they can get the most bang for the buck. It is my hope that international research and development investors will recognize that the United States is just such a place.

The R&D tax credit provides an effective incentive for companies to create valuable, skilled jobs. This is not just theory. The research and development tax credit was originally enacted in 1981 and has been extended 11 times.

From 1995 through 1998, the innovation and economic growth in information technology alone was responsible for one-third of the real economic growth. Studies by the General Accounting Office, the Bureau of Labor Statistics, and others have documented the impact the research and development tax credit has on private research and development spending. One such study found that every dollar of tax benefit spurs an additional dollar in private research and development investment. This is to say nothing of the major economic benefits associated with increased productivity and efficiency that new technologies and products bring.

And the benefits don't stop there. Investment in research and development has generated countless products and technological advances affecting every facet of American life.

In 1866, American farmers could expect to yield 11.6 bushels of wheat per acre. Then, about 34 years later, in 1900, the expected yield was 12.2 bushels, climbing to 16.5 bushels per acre in 1950. Today, thanks to advances in pesticides and crop genetics, that yield can reach well over 43 bushels per acre.

Medical patients today benefit from a variety of wonder drugs and medical devices previously unimaginable. The hardware, software, and fiber that makes the Internet run, even the Internet itself, provide examples of what aggressive research and development can